

Department of Law

JoAnne Y. Watson  
Corporation Counsel

920 Broad Street  
Newark, New Jersey 07102  
973-733-3880  
Fax 973-733-5394

## MEMORANDUM

TO: HONORABLE SHARPE JAMES, MAYOR

FROM: JOANNE Y. WATSON, CORPORATION COUNSEL

DATE: AUGUST 14, 2001

RE: **555 ELIZABETH AVENUE, NEWARK, NJ**

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Please be advised that the property owners of 555 Elizabeth Avenue were cited for no elevators, no heat and hot water, garbage and debris along with a few other violations during the year 2000. On January 29, 2001, a Consent Order was approved by Judge Daniele and signed by all parties. The order imposed a fine of \$3,800 to be paid by January 31, 2001, with a fine of \$200.00 for each day until the violations are abated. Inasmuch as the conditions have not been abated, the fines continue to accrue for a total of \$39,200.00. Judge Daniele is presently considering a motion filed by the owners to cease the daily fines. Pursuant to the Consent Order the fines will be imposed as a lien against the property. Judge Jones has directed a hearing to be convened no later than Thursday, August 16, 2001. The Department of Neighborhood and Recreational Services has provided this office with a list of complaints for the year 2001. The department is in the process of filing new complaints as directed in today's meeting.

A preliminary assessment of the options available to the City has been completed. They include:

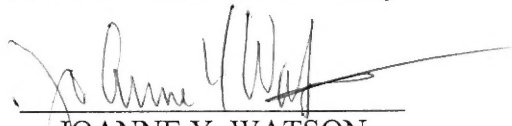
A. Declaration of Emergency by Health Officer to close the building. The bases being no elevator services, rodent infestation, no utility service, constituting a threat to the health, safety and welfare of the tenants.

or

B. Appointment of a Receiver to manage the property with the goal that the property would be acquired by the tenants or foreclosed and sold. Attached is an estimate of the cost to maintain the property but there are several unknowns. Without the benefit of all the costs, it is still apparent that the expenses far exceed the income.

In comparing the options, it is important to note that relocation could cost the City approximately \$5,600.00 per day, for 60 families for temporary housing at shelters or hotels. One months cost will be \$168,000.00. Once an apartment is located the City's obligation is one month's rent plus one and one-half months security. If the average rent is \$500.00 the minimum cost for relocation is \$1,250.00 per family for a total of \$75,000.00 for 60 families.

Please note that these number must be verified for accuracy.

  
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JOANNE Y. WATSON  
Corporation Counsel

PYW:msk - C/Wael  
355 Elizabeth Avenue  
Dir. Watson/Meyer

cc: Harold Lucas, Business Administrator

INCOME AND EXPENSE STATEMENT  
555 ELIZABETH AVENUE

	INCOME	OUTSTANDING DEBT	
Monthly Rents	28,489.00		
		Water & Sewer	113,569.41
		Elevator Maintenance	80,000.00
		PSE&G	300,000.00 (as of June 1, 2001)
		TOTAL	493,569.41

MONTHLY EXPENSES

Security	
Janitorial	
Waste Disposal	
Taxes (Tax Abatement)	600.00
Water & Sewer	4,500.00
PSE & G	
TOTAL	5,100.00